

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

November 19, 2013 (House)

STATEMENT OF ADMINISTRATION POLICY

<u>H.R. 2728 - Protecting States' Rights to Promote American Energy Security Act</u> (Rep. Flores, R-TX, and 19 cosponsors)

The Administration strongly opposes H.R. 2728, which would prohibit the Bureau of Land Management (BLM) in the Department of the Interior (DOI) from ensuring that hydraulic fracturing activities taking place on Federal and Indian lands are managed in a safe and responsible manner. Under the Mineral Leasing Act, BLM is responsible for overseeing oil and gas operations – including hydraulic fracturing activities – on over 700 million acres of Federal land and subsurface mineral estate. In addition, BLM manages these activities on Indian lands in fulfillment of DOI's trust responsibilities to Native Americans. BLM has been working in close consultation with States and Tribes on strengthening oversight of hydraulic fracturing operations and establishing a uniform baseline level of appropriate environmental protection. The bill, as reported, would undermine these efforts and instead require BLM to defer to existing State regulations on hydraulic fracturing on Federal lands, regardless of the quality or comprehensiveness of the State regulations – thereby preventing consistent environmental protections.

The Administration is committed to working with the States and Tribes to ensure cost-effective, safe, responsible, and environmentally protective domestic oil and gas production. In recognition of the efforts made by various States and Tribes that are considering or have already put in place hydraulic fracturing regulations, earlier this year, BLM proposed a revised rule for public comment that would provide broad deference to State and Tribal standards so long as they meet or exceed those standards included in the proposed Federal regulations. The Administration continues to evaluate public comments as we develop our final regulations. Further, BLM is working with State and Tribal officials to establish formal agreements that will strengthen existing partnerships, provide a greater role for States and Tribes in the oversight process, reduce duplication of efforts for agencies and operators, and implement the revised proposed regulation as consistently as possible.

If the President were presented with H.R. 2728, his senior advisors would recommend that he veto the bill.

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